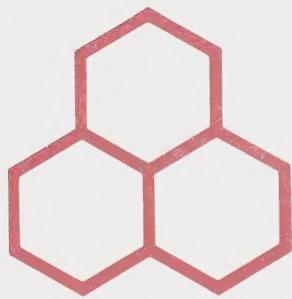


AR01



HAMILTON TRUST AND SAVINGS CORPORATION

ANNUAL REPORT - 1965

BOARD OF DIRECTORS

THOMAS HENRY BAKER <i>Vice-President, Ross, Knowles & Company Ltd.</i>	Toronto
WILLIAM EWEN BRUNNING <i>President, Income Insurance Companies of Canada</i>	Burlington
MURRAY G. BULGER <i>President, Murray G. Bulger & Associates Ltd.</i>	Toronto
NORMAN GRAHAM JAMES <i>Executive Vice-President, Income Life Insurance Company of Canada</i>	Burlington
JOSEPH ROSS FISCHER <i>President, J. Ross Fischer Hotels Limited</i>	Hamilton
ROBERT GLENN GROOM, Q.C. <i>Barrister & Solicitor</i>	Tillsonburg
FRANK P. GOLDBLATT <i>President, International Iron & Metal Company Limited</i>	Hamilton
GEORGE C. KNOWLES <i>Financial Consultant</i>	Toronto
GEORGE A. MILLER <i>Vice-President, Brennan Paving Company Limited</i>	Burlington
CHARLES A. READ, C.A. <i>Chartered Accountant</i>	Winnipeg
PHILIP ROSENBLATT <i>President, Norton Motor Lines Limited</i>	Hamilton
WILLIAM CHARLES SCHWENGER <i>President, Schwenger Construction Limited</i>	Burlington
HALLIWELL SOULE, Q.C. <i>President, Hamilton Trust and Savings Corporation</i>	Burlington
WALTER PETER THOMSON <i>President, C. E. Thomson & Company Limited</i>	Hamilton

TILLSONBURG ADVISORY BOARD

MAX A. COYLE <i>Secretary-Treasurer, Coyle Motors Limited</i>	Delhi
CYRIL J. DEMEYERE <i>President, C. DeMeyere & Sons Limited</i>	Tillsonburg
ROBERT GLENN GROOM, Q.C. <i>Barrister & Solicitor</i>	Tillsonburg
JOHN GYULVESZI <i>President, Gilvesy Construction Limited</i>	Tillsonburg
EDWARD S. VANCE <i>President, Denton-Vance Insurance Limited</i>	Tillsonburg

MAY 24 1967



**REPORT
TO THE
SHAREHOLDERS**

HALLIWELL SOULE, Q.C.
President

The 1965 fiscal year was the first full year of operations for the Company and was marked by excellent progress in all fields.

HIGHLIGHTS:—

February 1965—a new branch was opened in East Hamilton, bringing our total branches to five.

July 1965 —Peter Maskell, a trust officer with over 20 years' experience, was appointed Chief Trust Officer of the Company.

Trust Funds on Deposit	Increase \$3,229,778—over 114%
Guaranteed Investment Certificates	Increase \$2,671,558—over 130%
Account Holders	Increase over 6,000—over 73%
Estate Trusts and Agencies	Increase \$1,791,311—over 113%
Assets under Administration	Increase \$7,547,866—over 88%
Cash Loss from operations	Reduced \$ 56,334—over 48%

Both assets under administration and the number of our customers have continued to increase month by month. While we have not yet reached a profit picture, our cash operating loss has been substantially reduced.

Special comment should be made concerning depreciation charged to expense in the fiscal year. Depreciation as shown is calculated upon a formula requested by the Department of Insurance of the Province of Ontario but is over \$40,000 in excess of the depreciation that would have been written if generally accepted accounting principles and practices had been followed.

When considering the development of your Company, it must be borne in mind that the policy of your directors from inception was to establish on a relatively broad base. While it was recognized that this policy would defer profits initially, it was considered that it would greatly enhance the ultimate profit potential. The results to date indicate this judgment to be sound as we are operating substantially ahead of budget.

Our administration has been built on the employment of a strong and competent staff. The photographs and notes thereto accompanying this report are drawn to your attention as they clearly show the calibre of individual serving your Company and the public.

We are fortunate to have a Board of Directors, and Advisory Board at Tillsonburg, who are enthusiastic builders of the Company. These individuals are workers, not just names. Each of them has given freely of his time without remuneration. I would be remiss if I did not publicly thank each of the members of these Boards for their dedicated efforts.

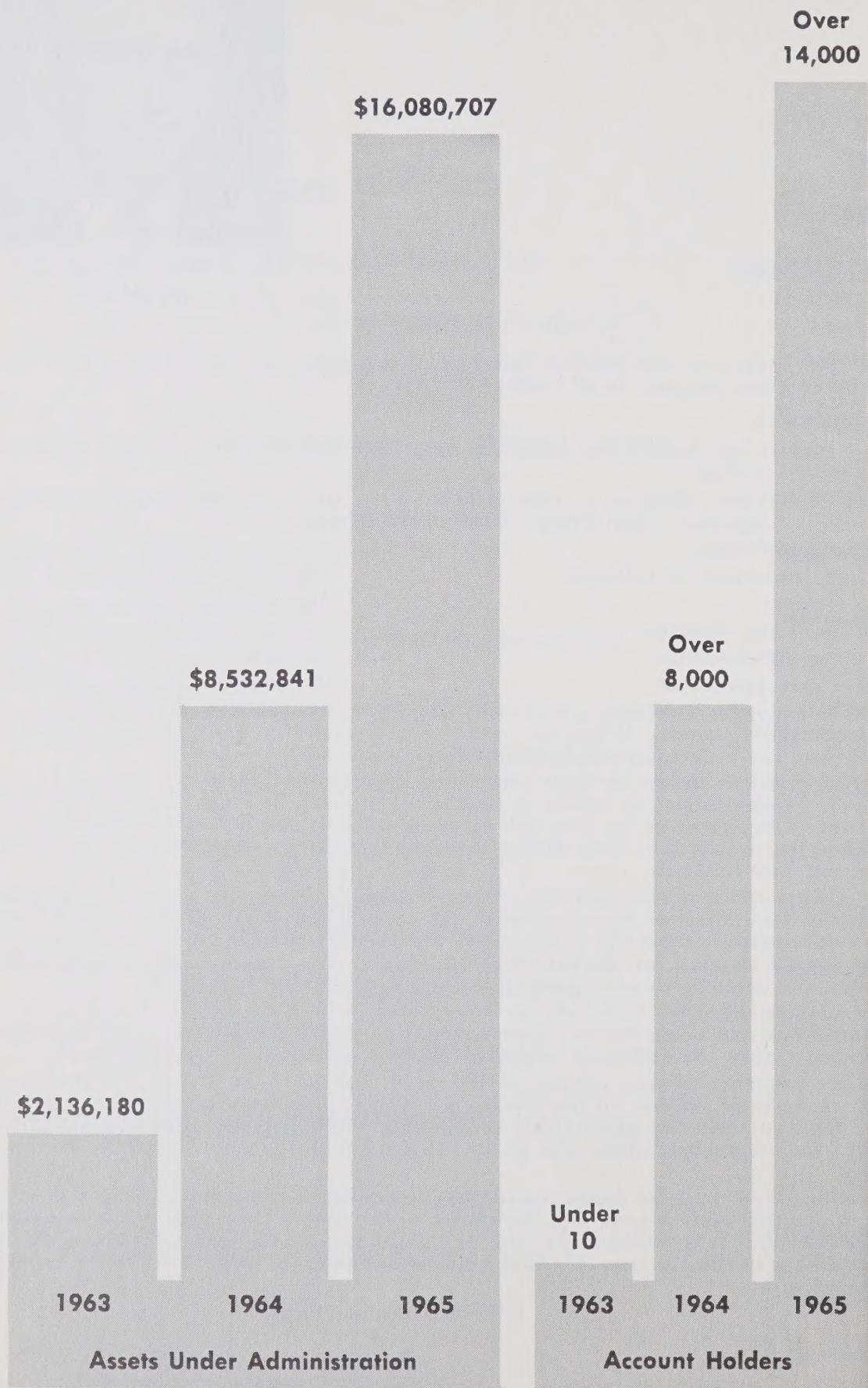
Looking ahead, we fully expect increasing competition for new and existing business. However, the next years are years of growth for our country. Canada is on the threshold of a new century. It is strong and young as we are strong and young. We look ahead to the challenge of these years. We have a rare opportunity of which we propose to take full advantage.

Respectfully submitted,

Halliwell Soule

President.

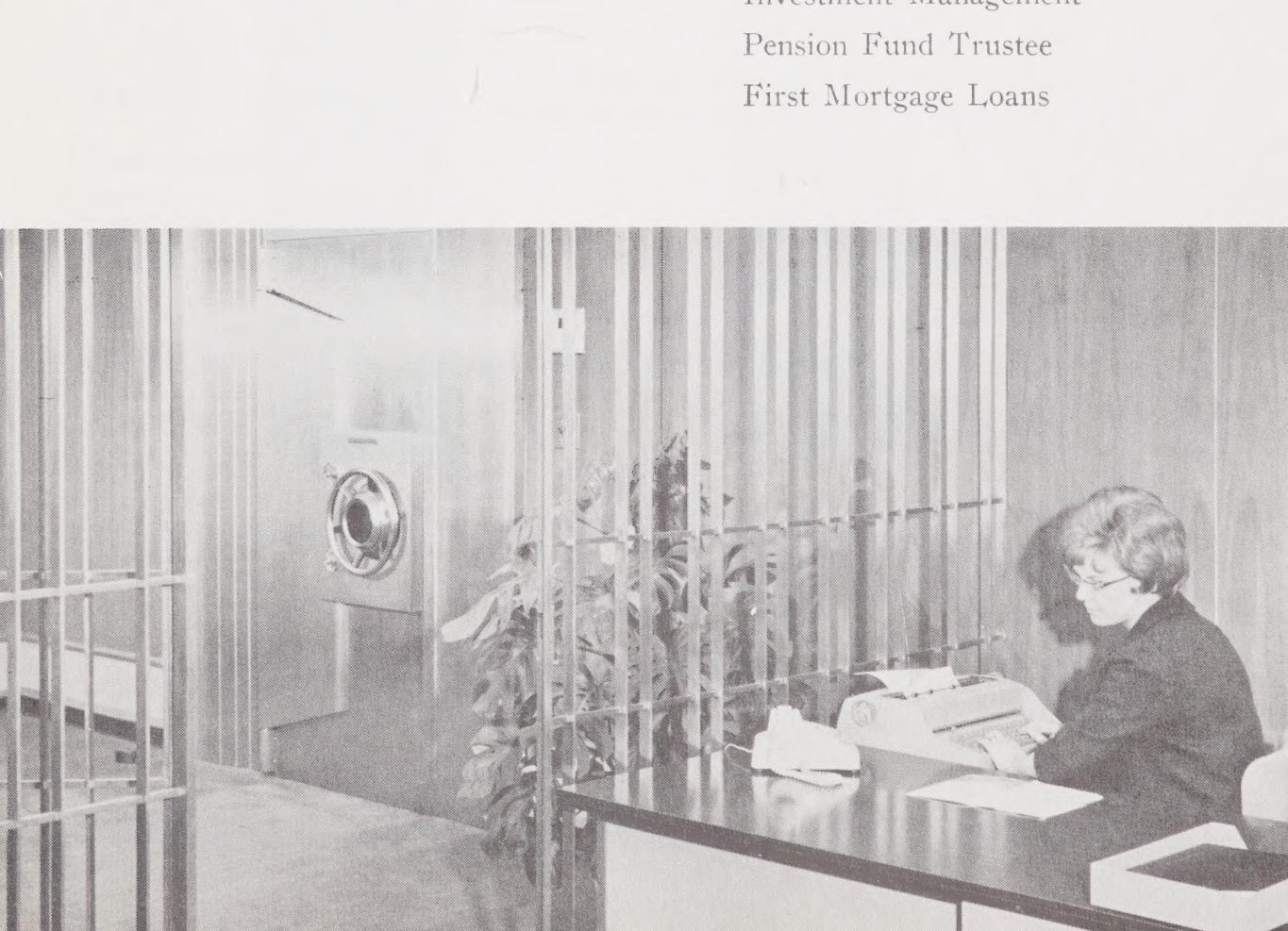
OUR GROWTH AT A GLANCE



TRUST SERVICES OFFERED



Estate Planning
Estate and Trust Administration
Executor of Wills
3½% on Chequing Accounts
4¼% on Savings Accounts
6% on Guaranteed Investment Certificates
Deposit-by-Mail
Safety Deposit Boxes
Registered Retirement Savings Plans
Stock Transfer Agent and Registrar
Investment Management
Pension Fund Trustee
First Mortgage Loans





HAMILTON TRUST AND SAVINGS CORPORATION

(Incorporated under The Loan and Trust Corporations Act of Ontario)

BALANC

As at Octo

ASSETS

	1965	1964
Cash	\$ 601,724	\$ 358,415
Short Term Loans Secured by Bonds and Stocks		253,485
Government, Municipal and Corporate Bonds	1,861,961	827,142
Total Cash, Short Term Loans and Bonds	2,463,685	1,439,042
First Mortgages	9,316,666	4,825,533
Collateral Loans	151,202	20,951
Other Assets	28,282	13,538
Fixed Assets at cost less Accumulated Depreciation	753,882	658,098

Note 1: Bonds

Bonds are carried at amortized cost and the
aggregate is more than quoted market values.

Total Assets	12,713,717	6,957,162

ESTATES, TRUSTS AND AGENCIES

Cash, Securities, Mortgages and Other Assets	3,366,990	1,575,679

Approved on behalf of the Board of Directors

HALLIWELL SOULE, Q.C., President

J. Ross FISCHER, Vice-President

SHEET

for 31, 1965

LIABILITIES AND CAPITAL

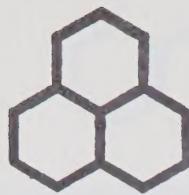
	1965	1964
Accounts Payable	\$ 1,841	\$ 3,588
Guaranteed Funds		
Trust Funds on Deposit	6,051,324	2,821,546
Guaranteed Investment Certificates	4,720,088	2,048,530
Total Guaranteed Funds	<u>10,771,412</u>	<u>4,870,076</u>
Mortgage Payable—Canada Life Assurance Company	324,521	333,000
Total Liabilities	<u>11,097,774</u>	<u>5,206,664</u>
Capital Stock Issued—		
166,960 Shares Fully Paid	1,669,600	1,669,600
49,000 Shares Partially Paid	49,000	49,000
Total Capital Stock Issued	<u>1,718,600</u>	<u>1,718,600</u>
(Deficit) or Surplus	(102,657)	31,898
Total Capital	<u>1,615,943</u>	<u>1,750,498</u>
Total Liabilities and Capital	<u>12,713,717</u>	<u>6,957,162</u>
ESTATES, TRUSTS AND AGENCIES		
Assets Under Administration	3,366,990	1,575,679
	<u>\$16,080,707</u>	<u>\$ 8,532,841</u>

Note 2: Options to Purchase Share Capital

Certain employees and members of the Tillsonburg Advisory Board have been granted options to purchase 21,500 shares of the Corporation at a price of either \$11.00 or \$12.00 per share under individual agreements that expire on various dates none of which is later than September 1, 1974. No options have been exercised.

Note 3: Regulations

In accordance with regulations established in 1965 by the Department of Insurance of the Province of Ontario certain expenditures in excess of \$80,000.00 have been charged to operations that under generally accepted accounting principles would appear as an asset of the Corporation since they represent a charge against future operations.



STATEMENT OF PROFIT AND LOSS AND DEFICIT For the year ended October 31, 1965

	1965	1964
Net Revenue	\$ 324,336	\$ 179,340
Operating Expense	383,862	295,200
Net Loss Before Provision for Depreciation	(59,526)	(115,860)
Provision for Depreciation	75,029	8,656
Net Loss for the Year	(134,555)	(124,516)
Less: Surplus November 1	\$31,898	\$156,122
Surplus Paid in Less Write-Offs	31,898	292 156,414
(Deficit) or Surplus October 31	<u><u>(\$ 102,657)</u></u>	<u><u>\$ 31,898</u></u>

AUDITORS' REPORT

To the Shareholders of

HAMILTON TRUST AND SAVINGS CORPORATION

We have examined the Balance Sheet of Hamilton Trust and Savings Corporation as at October 31, 1965. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The assets held for Guaranteed Account and for Estates, Trusts and Agencies are kept separate from the Company's own assets and are so earmarked on the books of the Company as to show the accounts to which they belong.

In our opinion, the accompanying Balance Sheet presents fairly the financial position of the Company as at October 31, 1965.

January 6, 1966,
Hamilton, Ontario.

OWEN, PRINGLE & CO.
Chartered Accountants.

DENTON J. BUTLER
*Manager, Westdale Office,
Hamilton*

Graduated with honours from Associate Canadian Bankers' Association Course through Queen's University. Over fifteen years' service with a chartered bank in Canada; joined Hamilton Trust November 1964.



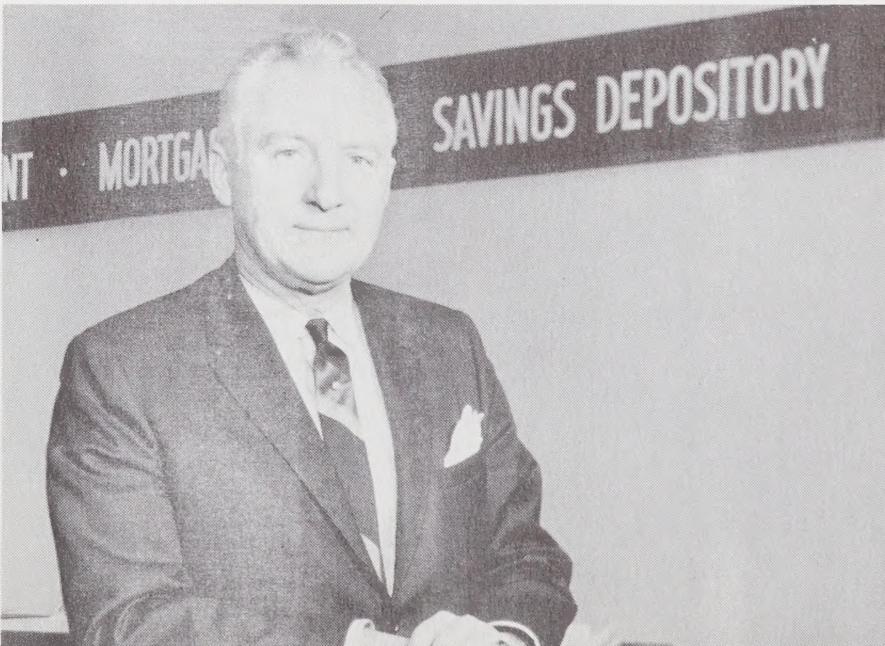
J. KENNETH CRUNDEN
*Manager, 8 Oxford Street,
Tillsonburg*

A graduate of the Trust Officers' Course conducted by Queen's University. Extensive business experience including over seven years with a major Canadian trust company; joined Hamilton Trust June 1964.



REGINALD L. FISHER
*Supervisor of Branches and
Manager, Mountain Plaza
Office, Hamilton*

More than thirty years service with a chartered bank in Canada including over ten years service in management of various branches and service in selecting sites for new branches; joined Hamilton Trust February 1964.

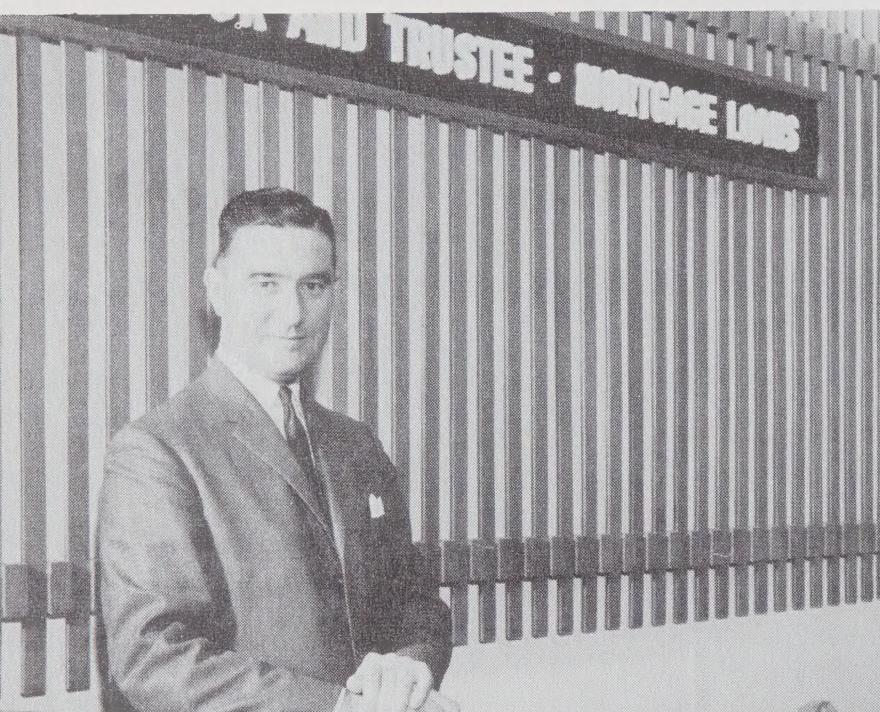




PETER F. MASKELL

Trust Officer

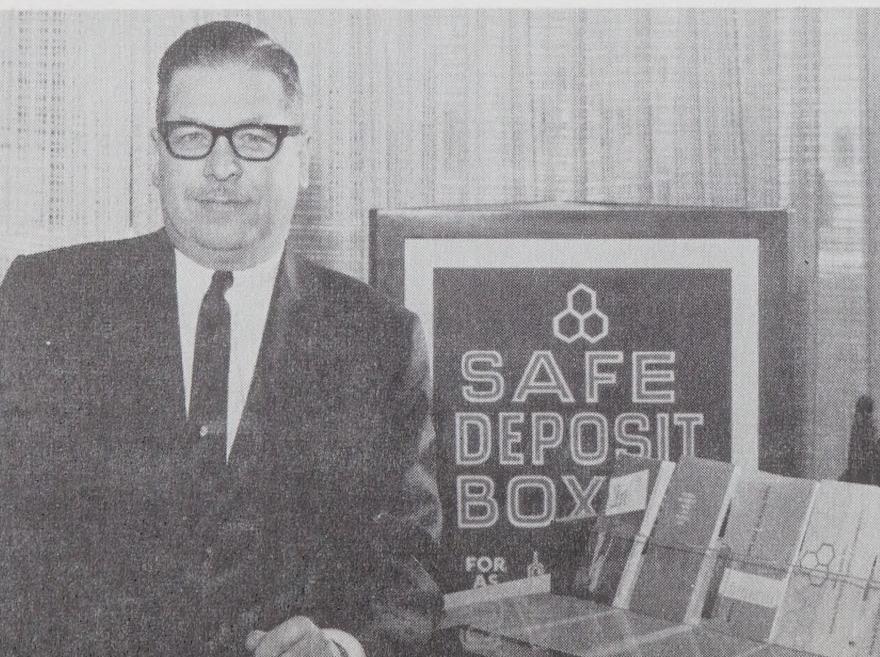
Mr. Maskell has more than twenty years experience in the handling of trusts, will planning and estate administration. At the time of joining Hamilton Trust in July 1965, he was one of four trust officers in the main office of one of the largest trust companies in England.



ALEX O. MIDDLETON

*Manager, Ottawa Street
Office, Hamilton*

Over twenty years service with Clydesdale Bank in Scotland and over eight years service with a chartered Canadian bank including management of branches; joined Hamilton Trust February 1965.



LLOYD T. SPALDING

*Manager, Main Office,
Hamilton*

Over twenty-five years with a Canadian chartered bank. This service includes credit supervision, branch inspection and more than eight years as a Manager of branches of this bank; joined Hamilton Trust February 1964.



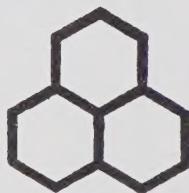
THE HON. ELLEN L. FAIRCLOUGH,
P.C., F.C.A.
Secretary

Mrs. Fairclough is well known as a former Cabinet Minister in the Federal Government and is a lifetime member of the Privy Council. She is a Chartered Accountant by profession and in 1965 was honoured by election as a Fellow of The Institute of Chartered Accountants. In addition to her duties as Secretary of the Company, Mrs. Fairclough is responsible for the administration of the stock transfer and guaranteed investment certificate department. Her experience and background have been invaluable in the development of Hamilton Trust.

Mr. Field has extensive experience in Trust Services and Management, having been the manager of the main branch of a leading eastern trust company. He is a graduate of the Trust Officers' Course conducted by Queen's University, a Fellow of The Chartered Institute of Secretaries, and at the time of joining Hamilton Trust in September 1963 was the Vice-President of The Trust Companies Association of Nova Scotia.



D. C. FIELD, F.C.I.S.
Superintendent



HAMILTON

Mountain Plaza—Upper James and Fennell
Westdale —1053 King Street West at Newton
Downtown —75 James Street South
East —335 Ottawa Street North at Barton

TILLSONBURG

8 Oxford Street